

Date: May 26, 1978

COMMITTEE ON PRODUCTIVITY AND EFFECTIVENESS

(COPE)

City of San Jose
California

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JUN 1 1978

Business Growth -- " " "

One of San Jose's community goals is to involve local citizens in city government at all levels, from political action to operations. When the City Manager decided to expand the administration's productivity improvement program, a role expansion for private sector participation was recognized. Industry already was represented on the Suggestion Award Commission, an integral part of the productivity program. Methods analysis and operations research staff in several city departments have linkages with professional organizations. The City Manager, Staff Directors, and Department Heads meet regularly with community leaders to discuss plans for community growth and socioeconomic development.

The Deputy City Manager, who is also the Vice President for Planning and Allocations for the County United Fund, suggested that the Loaned Executive Program used by that organization might be a useful model for industrial participation in productivity improvement. It was decided that a modification would be useful to provide an executive group plus a technical operations group to work with city executives and departmental personnel in productivity improvement. The proposal was endorsed by a group of local industrial and governmental executives and several executives volunteered personal and corporate involvement.

On June 24, 1976 the Committee on Productivity and Effectiveness (COPE) was formed. The Deputy City Manager chairs the Steering Committee comprised of executives from IBM, General Electric, Bank of America, Central Labor Council, and the retired Assistant County Executive. The Steering Committee considers major problems and opportunities, identifies priorities for attention, and recruits talent from industry to work with responsible city personnel.

Initial attention was given to Materials Management (Purchasing and Warehousing), Energy Management, and Telephone Management. Working groups, each headed by the responsible operating official in the city administration and augmented with other city staff and loaned experts from industry, attacked each of these problem areas, made recommendations for improvement, and followed up to ensure that the recommendations were implemented.

Subsequent studies included Land Use Development Application Process; Alternatives to Disability Retirement; Word Processing (Manager's Department); City Personnel Administration System (currently in process); and Electronic Data Processing System (currently in process).

In all instances intangible results have been realized through improved processes and procedures and/or improved public relations. In several instances substantial tangible savings have resulted from the advice provided by the representatives from industry.

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Fiscal Year 1977 savings as a result of the COPE efforts are conservatively estimated at \$100,000 from Purchasing and Warehousing recommendations already implemented or initiated (primarily as a result of discounts on purchases and/or frequent stock turnover). An aggressive energy policy has been adopted by the city and an administrative energy reduction program was initiated with a 15 percent annual cost reduction target. Improved telephone bill reporting and analysis procedures now provide department managers with information useful in effecting improved control of the telephone and a reduction in both equipment and service costs.

Initially, the operating Task Force was chaired by the responsible operational official in the City Administration. For the most recent studies the Task Force consists only of the representatives from industry, one of whom is designated as Chairman. City personnel are available as resources to this Task Force.

A City staff member from the Policy and Management Research Division, City Manager's Department, is assigned to each Task Force as Project Coordinator and to provide administrative and logistical support throughout the period of the study.

Specific duties of the Project Coordinator and the sequence of events are shown on Attachment A.

Two detailed proposals are shown as examples at Attachment B and C. The Task Forces concerned modified and simplified those proposals to fit the time available and the expertise of the participants. Future proposals will be less structured and will contain a brief statement of the problem and the objectives of the study. A detailed study plan may be developed by the Task Force if they so desire.

The success of any project is dependent on the interest shown by the corporate executives and City officials (Steering Committee) at the initial meeting of the operating Task Force. City officials at the level of Deputy City Manager or Assistant City Manager explain the background and purpose of COPE and discuss the specific subject under consideration. The Task Force is encouraged to seek information from all levels of the administrative organization including operating personnel, department heads, and City executives.

The Task Force final report is directed to the Steering Committee for review prior to presenting to the City Administration. Following review by the City Administration, the representatives from industry and the top executives of their company are informed of the City's actions on the recommendations.

May 26, 1978

COMMITTEE ON PRODUCTIVITY AND EFFECTIVENESS (COPE)Task Force Organization and ProcedureCity Administration

Identifies subject areas for projects.

Prepares project proposals.

Steering Committee

Selects project from subject areas; or considers specific project proposal at request of the City Administration.

Identifies Task Force members from industry.

Project Coordinator (City employee)

Coordinates preparation of Project Proposal.

Prepares background information.

Furnishes proposal and background information to Task Force members.

Calls first meeting.

First Meeting (City official(s), Coordinator and Task Force members)

Explains COPE and current project.

Discusses proposal and background material.

Second Meeting (Task Force members and Coordinator only)

Selects chairman.

Decides on study approach and work assignments.

Identifies additional data and materials to be made available.

Decides on frequency of meetings and time available for study.

Subsequent Meetings

Called by the Chairman of the Task Force.



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COMMITTEE ON PRODUCTIVITY AND EFFECTIVENESS (COPE)

Organization and Procedure

Project Coordinator

Arranges for meeting sites.

Sets up appointments with City personnel.

Obtains clerical and other logistical support for Task Force members.

On request of Task Force members, conducts research and provides pertinent data and materials.

Task Force

Conducts study.

Prepares draft reports.

Prepares final report.

Submits final report to Steering Committee.

Project Coordinator

Coordinates final report with interested departments for review and concurrence.

Ascertains the Administration position relative to implementation of recommendations.

Initiates appropriate staff action for implementation of recommendations.

Follows up on implementation.



CITY OF SAN JOSE, CALIFORNIA

801 NORTH FIRST STREET
SAN JOSE, CA 95110
(408) 277-4000

CITY MANAGER

December 29, 1977

EXAMPLE

TO: COPE Steering Committee
FROM: Harold S. Rosen, Chairman
RE: COPE Project Proposals - Personnel and EDP

The COPE Steering Committee is being convened in order to review and consider two COPE Project proposals: 1) Personnel Administration, and 2) Electronic Data Processing.

The City has identified these two areas for study on the basis of their significance and impact on City-wide operations. It is felt that the City may derive important benefits if a COPE Task Force produces recommendations to improve each area.

The objectives of the respective studies are defined to be:

1. Personnel Administration: To study and analyze the organization, functions, practices, and procedures of the City's present system for Personnel Administration and to develop recommendations designed to improve the productivity of that system.
2. Electronic Data Processing: To present recommendations for executive consideration and implementation to improve the City's use of electronic data processing technology and to establish policy direction for future planning purposes.

The proposed work plans for the COPE projects are attached for your review and preparation for the Steering Committee meeting. The meeting is scheduled for 10:00 a.m., January 12, 1978, at San Jose City Hall, Room 437 (City Manager's Conference Room). Progress reports on the status of prior COPE study recommendations are also enclosed for your information.

Cordially,

H.S. Rosen

HAROLD S. ROSEN
Deputy City Manager
Chairman, COPE Steering Committee

HSR:mm
attachments

bee Frank Kreslow
Tim Weir
Chris Hallinan



attachment B

CITY OF SAN JOSE—MEMORANDUM

TO COPE Steering Committee
SUBJECT Project Proposal and Action Plan --
Personnel Administration in San Jose

FROM HAROLD S. ROSEN
Deputy City Manager
DATE December 28, 1977

APPROVED

DATE

EXAMPLE

INTRODUCTION

San Jose's 4,200 municipal government employees are distributed among 13 departments responsible to the City Council, either directly or through the appointed City Manager.

The City Manager, as the City's Chief Executive Officer, is responsible for the appointment of all employees except the three department heads appointed by City Council, and for the administration of all City personnel. The Deputy City Manager exercises executive direction over the Personnel Department. The Director of Personnel is the Head of the Personnel Department and is responsible for the administration of the City personnel system, consistent with the City Charter and the applicable City ordinances. The Director of Personnel, as head of the Personnel Department, also serves as liaison between the Civil Service Commission and the Administration. Functions for which the Personnel Director is responsible are distributed by delegation to four staff divisions and by limited decentralization to Departmental Personnel Officers. These functions, described in the Organization and Functions Manual, provide for recruitment, examining, training, classification, compensation, placement, and for the administration of employee benefit programs.

Departmental Personnel Officers perform a limited scope of personnel functions in the major departments (Police, Fire, Public Works, Library, and Parks and Recreation) as do Administrative Services Officers in other departments. Those with departmental personnel administrative responsibilities are guided by Personnel Department rules and procedures.

It is the purpose of the proposed COPE study to provide the Director of Personnel, the Deputy City Manager, the City Manager, and the City Council with valid and reliable data and specific recommendations to support the decisions needed to improve productivity of the system for personnel administration.

OBJECTIVES AND SCOPE

The objective of this study is to present for executive consideration and action a set of specific and supportable recommendations for improvement of the personnel administration system.

The scope of task force activity will be restricted to the following specific tasks:

1. A general survey of procedures and practices pertinent to the personnel administration function in San Jose.
2. A comparison of those procedures and practices with those of other local government jurisdictions and business.
3. Identification of factors detrimental to effective performance of San Jose's system.
4. Identification and evaluation of productive alternatives to present procedures and practices.

5. Identification of policy constraints.
6. Description of a proposed course of executive action and a plan for its implementation.

Matters related to employee compensation, administrative organization, and staffing (other than the Personnel Management Function), or the evaluation of individuals are outside the scope of the study. The process for administration of the performance assessment system is included.

METHOD APPROACH

The study will be conducted by a task force of industry experts identified and recruited by COPE executives, local governmental personnel administrators from cooperating jurisdictions, and the Director of Personnel. Henry J. Fee, Policy and Management Research Division, will be Project Coordinator. He will arrange necessary technical and clerical support. Data-collection interviews with City employees will be arranged by him and scheduled for minimal disruption of City activities. The project will be conducted in four phases (research and analysis, coordination and communication, implementation planning, and follow-up).

Preparatory to initiation of the study, the Project Coordinator will prepare a packet of appropriate background material for each task force member. The packet will include:

- o A copy of the Organization and Functions Manual
- o A copy of the Civil Service Rules
- o A chart describing organizational relationships of Personnel Department staff and Departmental Personnel Officers (DPO's)
- o Copies of the City Auditor reports concerning the Personnel Department
- o Copies of pertinent sections of the Administrative Manual
- o A draft of the Study Plan

The proposed Study Plan, including scope of work, assignments, schedules, products, and protocols will be discussed at an organizational meeting. The plan will be revised to incorporate accepted changes and reviewed with the Deputy City Manager. His approved plan will guide conduct of the study.

ACTION PLAN

Phase I: Research and Analysis

Members will review background material, collect and distribute material descriptive of other personnel systems and identify requirements for additional information pertinent to the City system.

The Personnel Director will provide data concerning procedures and practices within the Personnel Department and its relations with operating departments, staff agencies (Employee Relations, Affirmative Action, Office of the Deputy City Manager, Financial Management Division, and the Civil Service Commission). The Project Coordinator will arrange interviews with officials and employees of other City departments as necessary to collect pertinent data.

The Project Coordinator will maintain the data file and distribute working copies to all task force members.

Specific information of the following types will be included:

Organization: Are the personnel system functions properly described and logically assigned within the Department? Are the functions, duties, and organizational relationships of the Departmental Personnel Officers (DPO's) clearly delineated and effectively performed?

Procedures: Are procedures established and followed for the requirements planning, requisitioning, selecting, evaluating, compensating, administering, and terminating of employees? Do they comply with ordinances, Civil Service rules, memoranda of agreement, and administrative policy? Are Personnel Department procedures sufficient information for job training and performance? What procedures exist for the establishment and use of plans, standards, measures of effectiveness, performance evaluation (program and individual), and staff development? Is there a formal management information system? Is operational performance facilitated, and productivity improved, through the adoption of cost-effective processes, space uses, and equipment? Is there an effective work measurement, distribution and simplification program in operation to improve Personnel Department productivity?

Performance: Has a performance baseline been established, and is it known and understood by responsible supervisors and staff? What standards, measures of effectiveness and evaluation procedures have been established by the Personnel Director and/or by division heads to determine and improve organizational and program productivity? How do these relate to those used in program planning and budgeting? Have performance standards been reviewed and discussed with department heads and departmental personnel specialists? Do they agree with and accept the performance standards of the Personnel Department (for example, the time standard for processing a personnel requisition)? What action has been taken to improve substandard performance? What actions are planned, and when will they be taken?

Phase II: Coordination and Communication

The task force will analyze the collected data and will discuss its findings and recommendations with the Project Coordinator. The Project Coordinator will prepare and provide each task force member with a draft document describing the study objectives, methodology, activities, conclusions, and recommendations. A meeting of the task force will be convened by the Project Coordinator within two weeks after distribution of the draft report. Draft revisions agreed to by the majority, and exceptions voiced by others, will be incorporated in a report to the Steering Committee. A transmittal letter will be prepared for signature of the Chairman, to accompany the report to the City Manager. Copies of the adopted report will be distributed to task force members and to the Executive Staff.

Phase III: Implementation Planning

An Administrative Analyst will be assigned to develop a plan and schedule for implementation of accepted task force recommendations. The assigned analyst will effect necessary coordination to address and consider budgetary and administrative considerations. Cost and workload implications will be included in the analysis. The implementation plan will include a proposed schedule and budget for accomplishment of adopted recommendations. Required actions will be identified and specific responsibility assignments proposed in the plan.

The draft plan will be reviewed and discussed with concerned managerial personnel and their concurrences and non-concurrences reported in the transmittal documents.

The draft plan will be transmitted to and reviewed by the Director of Personnel and other involved department and staff division heads. Modifications approved by the Director of Personnel will be incorporated and a final version of the implementation plan will be prepared for distribution to the Deputy City Manager, the City Manager, and the City Council.

The plan will be prepared in such form that it becomes a management directive when signed by the City Manager.

Phase IV: Follow-Up

The Project Coordinator will maintain cognizance of activities assigned for implementation of recommendations, and will report in two months and then quarterly to the City Manager until all adopted recommendations are implemented.

An overall assessment will be made and reported one year following adoption of the plan.

The City Auditor will use the implementation plan as an element in the audit/evaluation of organizations with implementation responsibilities and will include in the audit/evaluation comments describing the status of compliance.

TASKS AND SCHEDULE

S = Meeting of the Steering Committee
Numbers = Working days following "S"

1. Project Planning and Organization

Draft project plans		Johnson
Revise and distribute plan		Fee
Prepare information packets		Fee
Chair meeting of Steering Committee	S	Rosen
Organize and brief task force	S + 3	Fee

2. Research and Analysis

Review background material	S + 14	Task Force
Collect data on City system	S + 26	Task Force
Collect data on other systems	S + 37	Task Force
Analyze collected data	S + 59	Task Force
Discuss findings with Coordinator	S + 59	Task Force
Record findings	S + 59	Fee

3. Coordination and Communication

Prepare and distribute draft report	S + 69	Fee
Review and comment on draft	S + 76	Task Force
Discuss draft report revision	S + 76	Fee
Prepare and transmit report	S + 81	Fee
Discuss report with Chairman	S + 82	Fee
Transmit report to City Manager	S + 83	Rosen
Distribute adopted report copies	S + 90	Fee

4. Implementation Planning

Prepare proposed implementation plan	S + 97	Fee
Review w/concerned personnel & modify as required	S + 102	Fee
Review plan with Deputy City Manager	S + 103	Fee/Johnson
Modify plan as required & produce final version	S + 106	Fee
Transmit plan to City Manager	S + 106	Fee

5. Implementation

Assist department w/implementation planning & coordination	S + 117	Fee
Coordinate departmental plans w/Budget Div. & Auditor	S + 124	Fee
Prepare implementation action report for Dep. City Mgr.	S + 131	Fee
Submit action report to City Manager	S + 133	Rosen
Implement initial improvements	S + 136	Hilliard

6. Follow-Up

Monitor activities to implement recommendations	Continuing	Fee
Draft initial status report & discuss w/Dep. City Mgr.	S + 160	Fee
Draft quarterly report and discuss w/Dep. City Mgr.	S + 226	Fee
Subsequent reports quarterly		Fee
First annual status report		Fee

INQUIRIES

Henry J. Fee, Room 440, City Hall (408) 277-5171, will answer questions pertinent to this plan.



HAROLD S. ROSEN
Deputy City Manager
Chairman, COPE Steering Comm.

attachment C. ()

CITY OF SAN JOSE—MEMORANDUM

TO COPE Steering Committee
SUBJECT Project Proposal and Action Plan --
Electronic Data Processing in City of San Jose

FROM HAROLD S. ROSEN
Deputy City Manager

DATE December 28, 1977

APPROVED

DATE

EXAMPLE

INTRODUCTION

Computer technology offers one of the major hopes for improving productivity and effectiveness of local governments. Proper use of computers can improve operations by providing information for better managerial control of programs and departments and bring about improved planning and decision-making through new capabilities for data analysis. Proper use may even reduce costs of certain activities. The hope that computers will assist local governments is evidenced by the large number of cities and counties that now use computers. Clearly, improvement in local governments' ability to deal effectively with information would be a considerable step toward improved productivity.

The collection, classification, conversion, filing, retrieval, and communication of words and numbers - data processing- is a major and expensive activity essential to the effective conduct of government.

The purpose of the proposed COPE study is to provide the Director of Information Systems, the Assistant City Manager, the City Manager, and the City Council with valid, reliable data and specific recommendations to establish policy direction for use of computer technology and to improve the effectiveness and economy of the City's data processing activities.

OBJECTIVE AND SCOPE

The objective of this project is to present recommendations for executive consideration and implementation to improve the City's use of electronic data processing technology and to establish policy direction for future planning purposes.

The scope of the task force activity will be directed toward the following:

1. A general survey of policies, procedures, and practices concerning the use of electronic data processing technology in the City's operation.
2. Assessment of those policies, procedures, and practices against reasonably accepted criteria of effectiveness and economy.
3. Comparison of those policies, procedures, and practices with those of other local governmental jurisdictions and private sectors.
4. The identification of factors affecting the effective and economical performance of the City's system.
5. The identification and evaluation of proposed alternatives to present policies, procedures, and practices.
6. The identification and evaluation of technical, functional, and policy constraints.

7. A proposed course of executive action and a plan for its implementation.

Matters related to employee compensation, or the evaluation of individual performance, are outside the scope of this project.

APPROACH METHODOLOGY

The project will consist of four phases: Research and Analysis, Coordination and Communication, Implementation Planning, and Follow-up.

The first two phases will be conducted by a task force of industry experts, identified and recruited by COPE executives; the Director of Information Systems, the Assistant City Manager, Deputy City Manager, the EDP Auditor, and department heads from major using departments. An industry expert will Chair the task force. An Administrative Analyst, assigned by the Deputy City Manager, will be the Project Coordinator. He will arrange necessary technical and clerical support. Distribution, collection, and interviews with City employees will be arranged through him and scheduled for minimum disruption of City activities.

Preparatory to the initiation of the project, the Project Coordinator will prepare a packet of background material for each task force member. The packet will include:

1. Pertinent extracts of Organization & Functions Manual, Program Budget, and Administrative Manual.
2. A summary copy of the current EDP Master Plan.
3. A list of existing EDP equipment and software and their distribution.
4. Copies of City Auditor reports concerning EDP and Information Systems.
5. A draft of the Study Plan.
6. Procedure for requesting data processing services.
7. Other related material as needed.

The proposed study plan described in the scope, work assignments, schedules, and protocol will be discussed at an organization meeting of the task force.

The plan will be revised to incorporate accepted changes and reviewed with the Assistant and Deputy City Managers. The approved plan will guide the conduct of the study.

Specific information of the following types will be included in the development of the task force recommendations:

Policies

1. How to assess the potential use of the computer(s) in relation to the requirements of

the City as a whole. Should an Executive Policy Committee, consisting of representatives from City Administration, be organized to establish EDP-related policies and authorize major projects? What should be the participation of relevant parties in planning, development, and operation of computerized information systems?

2. How to perform effective and meaningful City-wide EDP long-range planning. What are the right tasks for computers in local government? What resources are required of EDP major users for such tasks? For how long a period should a City-wide long-range EDP Master Plan be established and how often updated? Which organization should be responsible for the development of such a plan? What kind of organization should be responsible for its execution?
3. Which, or what, organization should be responsible for defining EDP-related procedures and enforcing established policies?
4. What policies should be established for security of data and computing installations?
5. What policies could the City develop to minimize the exposure of unauthorized access to sensitive data? What policies are necessary to insure privacy of personal information of citizens? What policies are needed to prevent unauthorized entry or changing of data?

Project Evaluation and Authorization

1. Who should be performing the evaluation of City-wide EDP proposals? Should a centralized review organization be identified to evaluate all EDP-related proposals?
2. What are the major criteria for evaluating EDP proposals? Should cost benefit analysis be one of the primary factors in determining the relative merit of each proposed project? If yes, who should be responsible for providing the benefit data? If cost benefit analysis is not appropriate for project evaluation, what criteria should be used for evaluation and priority purposes?
3. Should system project (in-house as well as contracted out) status evaluation be performed by a centralized organization? (If yes, which or what organization?)
4. Should application systems be developed to serve a primary user or should they be developed to serve as many users as reasonable and practical? If this is a desirable goal, how could it be achieved?
5. What process should be followed to provide a thorough, accurate analysis of a government activity, including measures of its efficiency and productivity, before it is considered for automation or computer assistance?
6. What process should be used to periodically evaluate a computerized information system including performance evaluation, financial evaluation, and policy evaluation? How often should such an evaluation take place? How should needs for expanding or upgrading the system be assessed?

7. What criteria should be included in consultant contracts to insure timely and complete performance?

Procedures

1. Should major systems development and programming be centralized to improve efficiency and insure overall data and systems compatibility?
2. How to maximize the utility of "distributive processing." What type of City applications can best be implemented as "distributive systems"?
3. Should files having general use by more than one City organization be centralized?
4. Should "ownership" of data be established - is it City's or departmental? Is data standardization necessary? Which organization should be responsible for establishing and maintaining data standards?

Centralization vs. Decentralization

1. What process should be followed to evaluate the issue of centralization vs. decentralization of computers? Should programmers be centralized or assigned to specific departments? Should minicomputer systems be used for certain data processing requirements and how should such proposals be evaluated? Is distributed computing a viable alternative to centralized computing?

Other

1. What method should be used for charging users for computer resources?
2. How can the City best utilize a data base management approach?

COORDINATION AND COMMUNICATION

The task force will analyze the collected data and will convey its findings and recommendations to the Project Coordinator. The Project Coordinator will prepare and provide each task force member with a draft document describing the study objectives, methodology, activities, conclusions, and recommendations. A meeting of the task force will be convened by the Project Coordinator within two weeks after distribution of the draft report. Draft revisions agreed to by the majority and exceptions voiced by others, will be incorporated in a report to the Steering Committee. A transmittal letter will be prepared for the signature of the Chairman, to accompany the report to the City Manager. Copies of the adopted report will be distributed to task force members and the the Executive Staff.

IMPLEMENTATION PLANNING

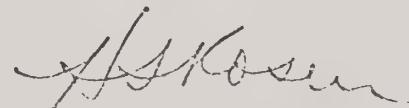
An Administrative Analyst, assigned by the Deputy City Manager, will be assigned to develop a plan and schedule for implementation of accepted task force recommendations. The assigned

analyst will effect necessary coordination to address and consider budgetary and administrative considerations. Cost and workload implications will be included in the analysis. The implementation plan will include a proposed schedule and budget for accomplishment of adopted recommendations. Required actions will be identified and specific responsibility assignments proposed in the plan.

The draft plan will be reviewed and discussed with concerned managerial personnel and their concurrences and nonconcurrences reported in the transmittal document.

The draft plan will be transmitted to the Assistant City Manager for his review and discussion with executive management. Modifications approved by the Assistant City Manager will be incorporated and a final version of the implementation plan will be prepared for distribution to the City Manager and City Council.

The plan will be prepared in such a form that it becomes a management directive when signed by the City Manager.



HAROLD S. ROSEN
Deputy City Manager

HR:mm

ATTACHMENT A

COPE - EDP Study

Proposed Schedule

Meeting of Steering Committee (S)	January 12, 1978
Mail information to Task Force	S + 5 (days)
First Meeting of Task Force	S + 14
Task Force Review of Work Plan Draft	S + 21
Executive Staff Approval of Revised Work Plan	S + 35
Task Force Information Gathering	S + 95
Task Force Analysis	S + 115
Task Force Formulation of Recommendations	S + 130
Task Force Report	S + 145

CITY OF SAN JOSE -- MEMORANDUM

TO ROBERT L. JOHNSON
 Organization & Methods Supervisor
SUBJECT COPE Telephone Service Study

FROM HENRY J. FEE
 Administrative Analyst II
DATE September 20, 1977

APPROVED

DATE

On Friday, September 16, 1977 I reviewed with Lyman Swan the status of the COPE Telephone Management Study recommendations.

Based on our discussion, I conclude that of the twelve (12) recommendations:

- 6 are fully implemented
- 4 are partially implemented
- 2 will not be implemented

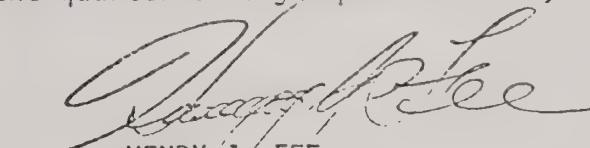
The two that will not be implemented are:

Recommendation A: Concerning greater authority for the Telephone Service Supervisor, the Director of Finance at the Executive Staff Meeting on December 10, 1976 indicated that the present authority is adequate and that an additional directive is not needed.

Recommendation K: Concerning use of vendor-provided software program to account for and control costs by department, Lyman Swan feels that the information he now receives from the telephone company since the Centrex system was implemented is adequate and that the proposal would not now be appropriate because telephone service costs are not budgeted by department.

We do not presently have a firm figure for cost savings; however, according to Lyman Swan, there are indications that the new procedures and controls are having an impact on controlling costs as evidenced by the following:

- o The monthly cost for telephone service is about the same as for the corresponding months in 1976, in spite of substantial rate increases and an increase in the amount of equipment installed over the past year.
- o The continuing review of telephone equipment charges has resulted in cost savings; for example, for the quarter ending September, a savings of \$820 was realized.
- o The continuing review of long distance and toll calls has reduced the amount of questionable calls and has resulted in some savings each quarter; for example, for the quarter ending September 1977, a savings of \$587 was realized.



HENRY J. FEE
 Administrative Analyst II

HJF/dr
 cc: Lyman Swan

CITY OF SAN JOSE -- MEMORANDUM

TO ROBERT L. JOHNSON
Org. & Methods Supv.
SUBJECT Status Report - COPE Materials Management Study

FROM MANUEL NUNEZ
Administrative Analyst II
DATE September 22, 1977

APPROVED

PLAN OF SUPPLY REPORTS

DATE

Discussion with Sam Gaetz shows that of 13 recommendations approved for implementation in the subject study, 11 will be completed by October 31, 1977.

Two recommendations, Negotiation of Contracts and Supplier Discounts on Payment Terms, cannot be implemented until legal or administrative obstacles are removed.

Negotiation of Contracts: Sam Gaetz proposes to discuss this issue with the new City Attorney and will seek assignment of a City Attorney to concentrate on resolving this issue.

Supplier Discounts on Payment Terms: Studies conducted by Purchasing show the City cannot effectively take cost discounts even if the vendors agree to a 30-day discount pay period because of the involved payment process (see attachments). A study of the Accounting process will be proposed to remedy this situation.

Savings are estimated as follows:

1. Annual Contract and Volume Purchasing

- Bond Paper for Copiers	\$ 32,000
- Office Stationery	55,000
- Traffic Paint	12,000
- Janitorial Supplies	4,000
TOTAL	\$ 103,000

2. Inventory Control of Common Items

- Money freed from inventory (1 time savings)	\$ 73,000
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Other activities now under way are as follows:

1. Development of specifications for capital equipment is now being done. Purchasing is working initially with Fred Wright and will develop a procedure which can be used with other City organizations.
2. Within one month, Purchasing will propose that a stand-alone mini- or micro-computer be approved for their use. Work has been coordinated with Monroe Postman and Tim Wei according to Sam Gaetz.
3. The warehouse surcharge has been lowered from 17% to 11%.
4. A Purchasing Commodity List will be developed by December 31, 1977.
5. A new Stores Catalogue will be distributed on or about October 15, 1977.

MN:mm
attachment

MANUEL NUNEZ
Policy & Mgmt. Research

CITY OF SAN JOSE -- MEMORANDUM

TO HAROLD S. ROSEN
Deputy City Manager
SUBJECT Status Report - COPE Energy Management Study

FROM
DATE

ROBERT L. JOHNSON
Org. & Methods Supv.
September 26, 1977

APPROVED

DATE

The two aspects of COPE recommendations were establishment of a community participation energy task force and an internal energy conservation program.

City Council, by Resolution 49309 on September 13 (Item 11c) adopted the Administration proposal for an Energy Task Force as an element of the Planning Commission. John Hamilton, Director of Planning, has executive responsibility for this function.

Public Works is responsible for the internal energy reduction program. Dick Blackburn reports a reduction of 20% in energy since July 1. At this rate, we expect to save \$50,000 this year strictly through screwdriver technology. More advanced techniques, including load management, are being used and there is no doubt that the planned \$75,000 saving will be made this year.

If we can arrange financing for the proposed street light conversion, annual savings of \$1,000,000 are projected.

The attached flyer gives publicity to the program.

Barney Burnal
ROBERT L. JOHNSON
Org. & Methods Supv.
Policy & Mgmt. Research

RLJ:mm

attachment

*COPE
REPORT
GTA*

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COPE Study	Estimated Potential Savings	Status	Goal	Remarks
Materials Management Study	\$100,000 for fiscal year 1977	11 of 13 recommendations will be implemented by October 31, 1977.	--To achieve an annual savings of \$103,000 by annual contract and volume purchasing. --To achieve a one-time savings of \$73,000 thru inventory control of common items.	City cannot, at this time, effectively take 30-day discounts because of the involved payment process. A study of the Accounting process will be proposed.
Telephone Service Management Study	No dollar amount estimated	Of the twelve recommendations: 6 are fully implemented 4 are partially implemented 2 will not be implemented	To control costs thru monthly review of equipment changes, toll call charges, and examination of toll calls to reduce incidents of "unauthorized" use of telephones.	Although a firm cost savings figure is not available, cost reduction has been achieved as indicated by the following: --monthly cost for telephone service is about the same this year as for corresponding months last year, in spite of substantial rate increases and an increase in equipment installed over last year. --Review of equipment charges recovered \$320 for 3 months ending Sept. 1977. --Review of toll calls recovered \$587 for 3 months ending September 1977.
Energy Management Study	15% annual cost reduction target	Achieved 20% of energy reduction Civic Center since July 1, 1977. (This is equivalent to \$50,000 annually).	--To save \$75,000 first year. --To save \$1,000,000 annually be conversion of 32,000 street lights to sodium vapor lights.	Additional reductions will be made as more complicated methods are implemented in the near future. Conversion of 32,000 street lights (at a cost of several million dollars) to sodium vapor lights is expected to save about \$1,000,000 per year and save about 15,000,000 kilowatts per year of energy. This conversion will tend to reverse, to a large degree, the bad effect that present street lighting has on the Mount Hamilton Observatory.

EXAMPLE
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